

Press Release

**Il Sole 24 ORE SpA: BoD approves
half-year financial report as at 30 June 2012**

- **Consolidated revenue 229.6 million euro**, down 5.7%, due mainly to the advertising market trend.
- **Gross operating profit (EBITDA) -4.2 million euro**, affected by the decline in advertising revenue, by higher costs from increased prices of raw materials (+10%), of postage rates (+17% normal rate, +34% Saturday rate), of fees from higher sales volumes and from the increase in the cover price, and by extraordinary personnel expense, generating a drop of 14.9 million euro versus 1H11.
- **Result attributable to the owners of the parent -8.4 million euro**, down 3.9 million euro versus 1H11.
- **Positive net financial position of 41 million euro, improving versus 1Q12 (36 million euro).**
- **Positive trend in newspaper circulation revenue (+2.1 million euro)**, thanks to the higher sales volumes (+12.4%) propelled by subscriptions and by the digital copies. **Readers of the newspaper on average day increase (+5.4%)**, reaching a total of 1,243,000 people (January-March 2012 period versus September-December 2011, *Audipress*). **PDF and iPad subscribers rise: +93%** versus December 2011 with **over 35,000 subscribers, 30,000 of whom annual**. The mobile version of *www.ilssole24ore.com* in 1H12 grows by +112.0% in average daily unique browsers and +149.9% in average daily page views. **The daily cements its position as third major national newspaper.**
- Ebitda now 30.0% of **Tax & Legal** revenue, versus 29.2% of 1H11. Digital revenue improves, rising from 39.2% to 47.4%.
- **Group digital revenue** rises by 23.9%, up 1.4 percentage points versus 1H11.
- **System advertising sales** lose 11.5% (-9.8% on a like-for-like basis) versus the market's -9.5% (*Nielsen*). **System outperforms the market with Radio** (+1.7% vs. the market's -5.5%) and the **Internet**, with *IlSole24ore.com* net of funds at +22.8% vs. the market's +16.3% (*FCP – Asso Internet*).
- **Radio 24** remains one of the *Top Ten* most popular national radio stations with 1,903,000 listeners and with a listener loyalty of 41%. Its market share measured in seconds rises from 8.3% of 1H11 to 8.9% as at 30 June 2012 (*Eurisko Radio Monitor* survey).
- Good performance of **software products branded Il Sole 24 ORE** (revenue +1.1%).

Milan, 31 July 2012 Today, the meeting of the Board of Directors of Il Sole 24 ORE S.p.A., chaired by Cav. Lav. Dr. Giancarlo Cerutti, approved the half-year financial report as at 30 June 2012.

MAIN FIGURES OF THE 24 ORE GROUP		
Amounts in € million	1H 2012	1H 2011
Revenues	229.6	243.5
Gross operating profit (EBITDA)	(4.2)	10.7 (*)
Operating profit (loss) (EBIT)	(13.7)	(2.9)
Pre-tax profit (loss)	(14.0)	(2.3)
Net profit from continuing operations	(8.9)	(4.6)
Profit from discontinued operations	-	0.1
Profit (loss) attributable to owners of the parent	(8.4)	(4.5)
Net financial position	41.1	42.1 (**)(1)
Equity attributable to owners of the parent	238.3	247.9 (1)
Employees headcount at the end of period	1,874	1,911 (1)

(1) As at 31 december 2011

Analysis of 1H12 consolidated results

The highly challenging macroeconomic climate in 2011 deteriorated into a severe recession in the first half of 2012. Against this backdrop, the print media market saw a further retreat and contraction of business.

The negative trend persists in 2012, strongly affected by the current economic crisis, and has a growing impact on the final demand of businesses, government bodies and households. Likewise, professional firms see their business falter owing to the loss of clients and delayed payment of fees.

The advertising market as a whole, considering all of its components, including television, lost 9.5% versus the corresponding period of 2011 (*Nielsen Media Research* – January-May 2012), losing further ground from the negative performance reported at the beginning of the year.

Print media were severely hit: newspapers dropped by an overall 13.5%, paid dailies contracted by 12.3% while magazines lost 13.8%. Radio fell (-5.5%), while the online business was the only positive performer (+10.6%) with display Internet up by +16.3%.

(*) EBITDA is defined as earnings before amortization of tangible and intangible assets, financial charges and income, capital gains/losses from disposal of fixed assets, write-down of equity interests, capital gains from disposal of equity interests, depreciation of intangible assets and income tax. Since EBITDA is not seen as an accounting measure by the European IFRS, the determination of its quantity may be prone to ambiguity. The principle adopted by the Group to determine EBITDA may differ from the criteria adopted by other groups. Hence, its amount may not be comparable with the amount determined by other groups.

(**) Net financial position is defined as the sum of cash and cash equivalents, short-term financial assets, non-current financial assets and the fair value measurement of hedged financial instruments, netted against overdrafts and bank loans due within a year and non-current financial liabilities. Net financial position is not seen as an accounting measure by the European IFRS. The principle adopted by the Issuer to determine net financial position may differ from the criteria adopted by other groups. Hence, the Group resulting balance, determined by the Issuer, may not be comparable with the balance determined by other groups.

On 1 July 2011, the Group completed the disposal of the real-time financial information Business Unit, which is no longer part of the scope of consolidation as from that date. In accordance with IFRS 5 – *Current assets held for sale and discontinued operations*, the balances in the income statement of 1H11 have been adjusted with respect to those initially shown, to reclassify the balances of the real-time financial information Business Unit under Profit/ (loss) from discontinued operations.

In 1H12, the 24 ORE Group achieved **consolidated revenue** of 229.6 million euro, down -5.7% versus the 243.5 million euro in 1H11. A result attributable to the growth in revenue from the Digital area (+7.9%), from Culture (+71.9%) and Radio (+3.0%), which only partly offset the drop in advertising sales (-11.6%), and in magazines and books.

Gross operating profit (Ebitda) showed a loss of -4.2 million euro, down from the +10.7 million euro in 1H11, as a result of the combined effects of cost and revenue. Specifically:

- **personnel costs** decreased by 4.8 million euro, or 5.5%, thanks mainly to the reduction in average headcount of 160 units, also envisaged in the downsizing plan;
- **direct and operating** costs rose by 5.0%, or 7.2 million euro, due mainly to the increase in distribution costs and raw materials;
- **sundry operating expenses** increased by 1.3 million euro.

Operating profit (Ebit) showed a loss of -13.7 million euro, dropping by 10.8 million euro versus 1H11.

Amortization, depreciation and impairment losses amounted to 10.5 million euro versus the 14.0 million euro of 2011. Mention must be made that the amortization of concessions and radio frequencies in 1H11 amounted to 1.7 million euro. At the end of the previous financial year, the useful life of concessions and radio frequencies had been re-determined, assigning them an indefinite useful life, therefore no longer subject to amortization.

The **result attributable to the owners of the parent** showed a loss of 8.4 million euro versus the loss of 4.5 million euro of 1H11.

The Group's **net financial position** as at 30 June 2012 showed a positive figure of 41.1 million euro, versus the 42.1 million euro at the start of the year.

Detailed information on the Group's business segment performance is available in the half-year report and in the financial community presentation, both published on the corporate website (www.gruppo24ore.com).

Significant events subsequent to 30 June 2012

Among the significant events occurring after the close of the half-year period, on 24 July 2012, Giampaolo Galli resigned with immediate effect as non-executive director of Il Sole 24 ORE S.p.A. Dott. Galli was not member of any Committee of the Company and had not the role of independent director.

On 26 July 2012, the Group acquired control of Diamante S.p.A., following acquisition by Innovare24 S.p.A. of 45.015% of the share capital. As from that date, the Group holds 75.015%. The acquisition was made to use Diamante for the development and management of Cloud Computing solutions and business models in the Group's Software Solutions Area.

Business outlook for the year

The economic indicators show for 2012 signs of a structural crisis with extremely negative growth rates; gross operating profit is expected to drop in this context versus the figure of 2011.

The Group has thus started to revise the Business Plan to make it consistent with a continually shrinking relevant market, by leveraging on the authority of the Sole 24 Ore brand, conveyed by all of its information content, and providing itself with a development model that is fit to meet the magnitude of the challenge.

Appointment of new director

The Board of Directors of Il Sole 24 ORE S.p.A. co-opted Avv. Marcella Panucci as director, replacing Dott. Giampaolo Galli, pursuant to the law and the bylaws.

Director Panucci is not member of any Committee of the Company and has not the role of independent director.

The CV of director Avv. Marcella Panucci can be found in the governance section of the Company's website at www.gruppo24ore.com.

Under paragraph 2, article 154-bis of the Consolidated Finance Law (TUF), Massimo Luca ARIOLI, in his capacity as corporate financial reporting manager, attests that the accounting information contained herein is consistent with the Company's document results, books and accounting records.

For information to the media:

Press Office 24 ORE Group:

Ginevra Cozzi - Tel. 02/3022.4945 – Mob. 335/1350144 – ginevra.cozzi@ilsole24ore.com

PMS: Fabio Marando – Tel. 02/48000250 - Mob. 329/4605000 - f.marando@pmsgroup.it

Interim management report as at 30 June 2012

Accounting schedules

CONSOLIDATED BALANCE SHEET AND CASH FLOW STATEMENT		
Amounts in € million	30.06.2012	31.12.2011
ASSETS		
Non-current assets		
Property, plant and equipment	74.9	77.5
Goodwill	75.0	73.5
Intangible assets	83.3	85.7
Investments in associates and joint ventures	2.1	2.3
Available-for-sale financial assets	1.2	1.2
Other non-current financial assets	0.8	20.4
Other non-current assets	0.9	0.9
Deferred tax assets	57.3	47.2
Total	295.3	308.6
Current assets		
Inventories	12.8	12.5
Trade receivables	172.1	188.2
Other receivables	10.7	8.5
Other current assets	9.7	6.3
Cash and cash equivalents	49.3	31.4
Total	254.6	246.9
Assets held for sale	-	-
TOTAL ASSETS	550.0	555.5

CONSOLIDATED BALANCE SHEET AND CASH FLOW STATEMENT (CONT.)

Amounts in € million

30.06.2012

31.12.2011

EQUITY AND LIABILITIES

Equity

Equity attributable to owners of the parent

Share capital	35.1	35.1
Equity reserves	180.3	180.3
Revaluation reserves	20.6	20.6
Hedging and translation reserves	(0.2)	(0.2)
Other reserves	23.8	25.0
Retained earnings	(12.9)	(4.5)
Profit (loss) attributable to owners of the parent	(8.4)	(8.4)
Total	238.3	247.9

Equity attributable to non-controlling interests

Capital and reserves attributable to non-controlling interests	0.2	0.3
Profit (loss) attributable to non-controlling interests	(0.5)	(0.0)
Total	(0.3)	0.3
Total equity	238.0	248.3

Non-current liabilities

Non-current financial liabilities	4.7	5.9
Employee benefit obligations	33.8	32.0
Deferred tax liabilities	15.5	16.1
Provisions for risks and charges	13.0	13.2
Other non-current liabilities	0.0	0.0
Total	67.0	67.2

Current liabilities

Bank overdrafts and loans - due within one year	3.1	2.8
Financial liabilities held for trading	0.3	0.3
Trade payables	171.0	161.7
Other current liabilities	17.9	9.8
Other payables	52.7	65.5
Total	245.0	240.1

Liabilities held for sale

	-	-
Total liabilities	312.0	307.3
TOTAL EQUITY AND LIABILITIES	550.0	555.5

CONSOLIDATED INCOME STATEMENT

Amounts in € millions	1H 2012	1H 2011
1) Continuing operations		
Revenue from newspaper, books and magazines	66.8	72.5
Revenue from advertising	83.1	94.0
Other revenue	79.7	77.0
Total revenue	229.6	243.5
Other operating income	4.0	3.8
Personnel expenses	(82.3)	(87.1)
Change in inventories	0.4	0.6
Purchase of raw materials and consumables	(15.3)	(13.7)
Services	(115.0)	(111.9)
Use of third party assets	(16.2)	(15.2)
Other operating costs	(6.1)	(4.7)
Provisions	(0.9)	(0.8)
Provisions for bad debts	(2.5)	(3.8)
Gross operating profit (EBITDA)	(4.2)	10.7
Amortisation of intangible assets	(5.3)	(8.5)
Depreciation of property, plant and equipment	(5.2)	(5.5)
Capital gain (losses) on disposal of non-current assets	1.0	0.3
Operating profit (EBIT)	(13.7)	(2.9)
Financial income	0.3	0.9
Financial expenses	(0.3)	(0.1)
Total Financial income (expenses)	(0.1)	0.7
Other income from investment assets and liabilities	(0.0)	(0.1)
Gains (losses) from equity-accounted investees	(0.2)	-
Pre-tax profit	(14.0)	(2.3)
Income tax	5.1	(2.3)
Net profit (loss) from continuing operations	(8.9)	(4.6)
2) Discontinued operations		
Profit (loss) from discontinued operations	-	0.1
Profit (loss) for the year	(8.9)	(4.5)
Profit (loss) attributable to minorities	(0.5)	0.0
Profit (loss) attributable to the shareholders of the parent company	(8.4)	(4.5)

CONSOLIDATED CASH FLOW STATEMENT

Amounts in € million	1H 2012	1H 2011
A) CASH FLOWS FROM ORDINARY ACTIVITIES		
Profit (loss) attributable to owners of the parent	(8.4)	(4.5)
Adjustments for:		
Net profit from discontinued operations	-	(0.1)
Depreciation of property, plant and equipment	5.2	5.5
Amortisation of other intangible assets	5.3	8.5
Impairment losses in current assets	0.2	-
(Gain) loss on sale of property, plant and equipment	(0.0)	(0.3)
(Gain) loss on sale of business units	(1.0)	-
(Gain) loss on sale of investments in associates	(0.0)	0.2
Increase (decrease) in provisions for risks and charges	(0.2)	(1.4)
Increase (decrease) in employee benefits	1.8	(3.4)
Increase (decrease) in deferred tax assets/liabilities	(10.7)	(0.4)
Annual instalment of substitute tax	0.8	0.1
Net financial expenses (income)	0.1	(0.7)
Cash flows from discontinued operations before changes in working capital	-	0.4
Cash flows used in operating activities before change in working capital	(6.9)	3.7
(Increase) decrease in inventories	(0.4)	(0.6)
(Increase) decrease in trade receivables	16.1	(36.9)
Increase (decrease) in trade payables	9.3	14.6
Income taxes paid	(2.7)	(0.9)
(Increase) decrease in other assets/liabilities	(8.4)	(1.4)
Changes in net working capital	13.9	(25.1)
TOTAL NET CASH FROM CONTINUING OPERATIONS	7.0	(21.8)
TOTAL NET CASH FROM DISCONTINUED OPERATIONS	-	0.4
NET CASH USED IN OPERATING ACTIVITIES (A)	7.0	(21.4)

CONSOLIDATED CASH FLOW STATEMENT (CONT.)

Amounts in € million	1H 2012	1H 2011
B) CASH FLOWS FOR INVESTING ACTIVITIES		
Proceeds on sale of property, plant and equipment	0.0	0.4
Proceeds on sale of branches of business	1.0	-
Proceeds on sale of available-for-sale financial assets	-	0.1
Investments in property, plant and equipment	(2.5)	(2.0)
Investments in intangible assets	(2.9)	(2.1)
Other increases in goodwill	(1.5)	-
Other decreases (incr.) in other non-current assets and liabilities	(0.0)	0.3
Changes from discontinued operations	-	(0.1)
NET CASH USED IN INVESTING ACTIVITIES (B)	(5.9)	(3.4)
FREE CASH FLOW FROM CONTINUING OPERATIONS	1.1	(25.1)
FREE CASH FLOW FROM DISCONTINUED OPERATIONS	-	0.3
FREE CASH FLOW (A + B)	1.1	(24.8)
C) CASH FLOWS FOR FINANCING ACTIVITIES		
Dividends paid	(0.2)	(0.1)
Raising (repayment) of medium/long-term bank loans	(1.2)	(1.2)
Change in other non-current financial assets	19.7	(0.3)
Change in financial assets/liabilities held for trading	(0.0)	(0.2)
Net financial interest received	(0.1)	0.7
Change in equity attributable to non-controlling interest	(0.5)	0.0
Other changes in reserves	(1.2)	0.2
NET CASH FROM (USED IN) FINANCING ACTIVITIES (C)	16.4	(0.8)
NET INCR. (DECR.) IN CASH AND CASH EQUIVALENTS (A+B+C)	17.5	(25.6)
OPENING CASH AND CASH EQUIVALENTS	28.7	73.6
CLOSING CASH AND CASH EQUIVALENTS	46.2	48.0
INCREASE (DECREASE) FOR THE PERIOD	17.5	(25.6)

CONSOLIDATED NET FINANCIAL POSITION

Amounts in € million	30.06.2012	31.12.2011
Cash and cash equivalents	49.3	31.4
Bank overdrafts and loans due within one year	(3.1)	(2.8)
Short-term net financial position	46.2	28.7
Non-current financial liabilities	(4.7)	(5.9)
Non-current financial assets	-	19.7
Fair value of hedging instruments	(0.3)	(0.3)
Medium/long-term net financial position	(5.0)	13.4
Net financial position	41.1	42.1